

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION**

**Call to Order:** By **CHAIRMAN BOB DAVIES**, on January 18, 2001 at  
8:10 A.M., in Room 317-B Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Davies, Chairman (R)  
Sen. Jack Wells, Vice Chairman (R)  
Rep. John Brueggeman (R)  
Rep. Monica Lindeen (D)  
Sen. Bea McCarthy (D)  
Sen. Corey Stapleton (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Greg DeWitt, Legislative Branch  
Mary Beth Linder, OBPP  
Cyndie Lockett, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Department of Revenue,  
1/18/2001  
Executive Action:

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HEARING ON DEPARTMENT OF REVENUE

**Chairman Davies** called the meeting to order.

**Jeff Miller, Policy & Performance Management** gave a handout on what was discussed **EXHIBIT(jgh14a01)**. **Mr. Miller** also pointed out that **Mr. DeWitt** passed out financials on the Department of Revenue **EXHIBIT(jgh14a02)**. **Mr. Miller** discussed the Customer Service Center (CSC). They are asking to restore CSC to a HB 2 environment that is take it out of the proprietary environment.

**Neil Peterson, Process Lead of the Customer Service Center** began his discussion on DP 21 which, moves the CSC from the proprietary environment. The CSC will incur the same costs, but only change its funding. He goes over page 3 of **EXHIBIT (1)**. He talked about DP 22, which entails allocation for effects of the CSC in HB 2.

**Chairman Davies** asked if this all deals internally with the Department of Revenue. **Mr. Peterson** acknowledged by saying yes.

**Mrs. Linder** adds that this is a difference in how they currently collect revenues and in the future they will write contracts with other agencies.

**Mr. Peterson** talked about DP 23, allocation of funding due to CSC in HB 2. He said that with DP 21, 22, 23 that they will increase the General Fund.

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**Mr. Peterson** explaining the feasibility study and reasons behind the change. He then discussed about DP 25, which involves a contract services increase for temporary hires. He described that they would hire an outside contractor to take care of these temporary services. This would help get the return process going faster and keep their skilled staff working their jobs instead of training or keeping tabs on the temporary people.

**Sen. Stapleton** asked if there are any major projects. **Mr. Peterson** said once they get this program up and running it should be a balancing act. No new projects unless are planned there are new tax laws.

**Mr. Peterson** talked about DP 26 regarding present law-docable PC-workstations. He was asking for these PC to make these managers more productive.

**Sen. McCarthy** asked how much does it cost **Mr. Peterson** replied \$3500.

**Sen. Wells** wanted to know how many PCs they will purchase and **Mr. Peterson** replied four.

**Mr. Peterson** moved to DP 27, which involves additional 2 FTE for unclaimed property.

**Sen. Stapleton** said he understands the first FTE but doesn't understand why they would need a person to go out and help people recover their unclaimed property. **Mr. Peterson** said that a person could think it was giving money away, but their whole process is to have people recover their property.

**Mr. Peterson** talked about the Collections Service Unit (also known as the bad debts unit).

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**Mr. DeWitt** talked about the rates associated with the 3.5 FTE in the Collections Service Unit.

**Mr. Miller** talked about the Director's Office, but before he got started he explained the funding requests. He stated that the department is asking for \$6.4 million. He stated that most of that money is in department under the following categories Liquor, Unemployment Insurance (UI) federal funds, state special revenue. They total \$5.4 million, so the money is already in the base.

**Chairman Davies** said DP 21, DP 22, DP 23 had to do with the funding switch. The DP 25, DP 26, DP 27 were not in the HB 2 budget.

**Mr. Miller** talked about DP 1, GIS Maintenance, and he handed out a map, **EXHIBIT(jgh14a03)** to show what counties have the cadastral database contracts.

**Sen. Stapleton** asked how does someone get access to this information. **Mr. Miller** replied they are on the internet.

**Sen. Stapleton** asked if Global Positioning System (GPS) was used. **Mr. Miller** answered no not at this time its just GIS.

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**Mr. Miller** said this is a very accurate process and he feels that the coordination with the counties is a real key.

**Sen. McCarthy** asked about the website to look at this cadastral database. **Mr. Miller** said he could get a list of web addresses so they could check them out.

**Dan Ellison, Information Technology Process Leader** talked about DP 1, Information Systems Support. The POINTS II property module will still require a Computer Assisted Mass Appraisal (CAMA) software package to assist in completing mass reappraisals.

**Lynn Chenoweth, Resource Management Process Leader**, talked about the DP 1, Field Office Rent.

**Mr. Chenoweth** then explained DP 2, which involved education and training.

**Mr. DeWitt** explains there are two DP 22's and one provides for the stuff exclusive of the Liquor Division and other is for the Liquor Division.

**Mr. Chenoweth** talked about the language recommendations on page 13 of **EXHIBIT (1)**.

**Mr. DeWitt** pointed out to the subcommittee that on page A-113 there is a supplemental and the DOR has withdrawn it.

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**Mr. Miller** stated they brought extra information based on requests of **Rep. Lindeen** and **Sen. Stapleton**. They are going to give presentations on POINTS, LFD issues, and change implementation for reengineering.

**Mike Alamia, Change Manager Department of Revenue**, talked about different aspects of the change implementation for reengineering. He gave a handout on his presentation, **EXHIBIT(jgh14a04)**.

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**Mr. Alamia** continued on with his presentation on the reengineering project.

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**Mr. Miller** went over the POINTS Project and passed out two (**EXHIBIT(jgh14a05)** and **EXHIBIT(jgh14a06)**) handouts. He explained that POINTS stood for Process Oriented INTe grated System.

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Wage Base taxes was the basis for POINTS Phase One. POINTS Phase II had two parts: 1) Department of Revenue effort; and 2) a contractor effort. This information is all in **EXHIBIT (5)**.

**Mr. Miller** then spoke to all concern in (**EXHIBIT 6**), which deals with LFD Issues. He went over 8 LFD issues and gave explanation for each.

**Rep. Lindeen** asked about a revenue lift after Phase I. **Mr. Miller** said that they're not seeing an economic improvement yet, but they expect it soon. **Rep. Lindeen** asked to see the historicals on this and **Mr. Miller** said he didn't have any with him.

**Mr. Miller** introduced the POINTS II Manager, **Denny Espeland** and then continues on going over responses to LFD Concerns. **EXHIBIT (6)**

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**Mr. Miller** continues with the responses to LFD concerns.

**Rep. Lindeen** asked what happens if there is a change in a tax law. **Mr. Miller** acknowledges that is a big possibility and they will have to adjust.

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**ADJOURNMENT**

Adjournment: 12:00 P.M.

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REP. BOB DAVIES, Chairman

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CYNDIE LOCKETT, Secretary

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